

Required Report - public distribution

Date: 11/24/2003

GAIN Report Number: GR3018

Greece

Tree Nuts

Annual

2003

Approved by:
Ann Murphy
U.S. Embassy Rome

Prepared by:
Stamatis Sekliziotis

Report Highlights:

A 20% reduction in 2002/03 almond output has created a need for imports at 4,000 tons. Almond exports are expected to drop to 600 tons. Greek pistachio production has gradually trended downward and imports are expected at 2,000 tons. Greeks are the world's largest nut consumers. The 2004 Olympic Games should also stimulate demand.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rome [IT1]
[GR]

Table of Contents

Executive Summary 3

Almonds 3

General..... 3

Pistachios 4

General..... 4

PS&D Table, Almonds, Shelled Basis 5

Import Trade Matrix, Almonds, Shelled Basis 6

Export Trade Matrix, Almonds, Shelled Basis 7

PS&D Table, Pistachios, In Shell Basis 8

Import Trade Matrix, Pistachios, In Shell Basis 9

Export Trade Matrix, Pistachios, In Shell Basis 10

Executive Summary

Almonds

General

Almond output in 2002 totaled 17,000 MT (shelled basis), which is considered to be a very good production for Greek almonds, taking into consideration unfavorable weather conditions which prevailed in Greece during recent years, mainly in the area of Magnesia (eastern Thessaly), which has suffered from frost, hail, heavy rains, extreme heat, and summer droughts. The frost, which has occurred in April 2003, damaged 2003 almond production and according to early estimates, 2002/03 output is not expected to exceed the quantity of 12,000 MT, a 20% reduction compared to last year's output. Almond trees were at the blossoming stage during the period of frost and the temperature dropped below zero (reportedly minus 4°C), so damage to trees was expected.

The almond shortage will be covered by imports, mainly from the US and Spain.

The main areas of traditional almond production in Greece, the prefectures of Magnesia, Larisa, Serres and Kavala, are all in Central and Northern Greece. The frost was more severe there, while extremely low temperatures which lasted for only ten hours were enough to cause damage to flowering almond trees.

In CY 2002, almond imports were reported at \$17.983 million, compared to \$10.196 million in 2001 and \$7.4 million in 2000, purchased mostly from the US and Spain. Imports for CY 2002 provided by the National Statistical Service are preliminary data, and subject to further revision (see attached trade matrices).

Exports of Greek almonds in CY 2002 totaled only 589 MT (figure is subject to further revision); valued at \$2.157 million as compared to 826 MT valued at \$2.365 million in CY 2001. Note: These figures track with the calendar year value of trade, per official data. Almonds are mostly exported to Bulgaria, Cyprus and other EU countries.

According to trade sources import prices for MY 2002/03 are approximately \$3,700- \$4,300 per MT (CIF) for almonds purchased from the U.S. Imports this year will increase due to the shortage of domestic production and are primarily used by the confectionary and chocolate industries. National almonds have a different taste and are preferred for snack foods. According to National Statistical Service data, almond imports from the US in 2002 are estimated at 3,897 MT (CY Basis) with a total value of \$10.7 million.

Some Spanish almonds, already imported, according to trade sources, are not of good quality this year due to drought, which prevailed in the summer period. This summer, Greek traders approached almond suppliers in Turkey to negotiate almond purchases. Turkey does not have plenty of product to offer and none of good quality.

The value of the US dollar against the euro is still an incentive for almond imports into Greece from the US. US almond imports into Greece for MY 2003/2004 are expected to exceed 4,000 MT with a possibility for more purchases as the Athens 2004 summer Olympic Games approach and demand is expected to increase.

Grower prices for MY 2001/02 fluctuated between 3.67-3.8 euros/kg (shelled basis) for almonds used mostly by the confectionary and chocolate industry and 4.4-4.5 euros/kg for almonds purchased by processing plants for snack food packaging.

For MY 2003/04 farm prices are expected to increase due to reduced production and imports are also expected to increase with more competitive prices for traders. This import pressure may not allow farmers to ask for extremely high prices or to build stocks.

Retail almond prices in the Greek market (snack packages of 200, 500 and 1,000 grams) fluctuate between 8.8-11.5 euros/kg, for roasted, salted and flavored almonds. According to the trade, domestic consumption has risen almost 30% in the past ten years and is expected to continue. Greeks are the largest nut consumers in the world.

Pistachios

General

Greek pistachio production in 2002 totaled 9,870 MT, which is considered to be a good harvest. The April 2003 spring frost did not affect pistachio trees too much because they blossomed later than other tree nuts.

Reportedly, aging of trees coupled with parasitic diseases forced growers to uproot a number of orchards. On the other hand, an increase in the cost of labor occurred in recent years, discouraging farmers from replacing trees. Also, labor costs have discouraged improvements in orchard management which require more intensive labor. Due to damage from diseases, which are mostly observed in the prefecture of Fthiotis (Central Greece), pistachio production in Greece has trended downward.

Grower prices in 2002 fluctuated between 5.00-5.28 euros/kg for the best quality (delivered with 95% open nuts). In 2001 corresponding prices were much lower. The price fluctuated between 2.93-3.5 euros/kg due to the inferior quality of harvested product and a high percentage of closed nuts.

Farmers complain that a pistachio harvest with a high percentage of closed nuts is not purchased at a good price by traders and processors, even though this product is finally sold shelled in the retail market, in snack packages with high retail price. Traders incur the costs of mechanical shelling but they pass it on by increasing the final price paid by the consumer.

in CY 2002, imports of pistachios totaled 2.546 MT valued at \$8.9 million compared to CY 2001 when 1,204 MT were imported. These imports were mostly from Iran and were valued at \$4.0 million. Due to a shortage of Greek pistachios and steadily increasing demand, imports show an upward trend. Still no imports are reported from the US, although some of the pistachios entering Greece through the EU may have originated in the US.

In CY 2002, exports of Greek pistachios are limited and totaled only 462 MT valued at \$1.4 million. Domestic consumption is estimated at 10,000 MT/annum, which is likely to increase in the next several years.

The EU standard for aflatoxin is more stringent than the U.S. standard. It is strictly enforced for Iranian pistachios and U.S. peanuts. Controls are verified and enforced by the National Chemical Laboratory for all imported fresh or dried products from Third countries. This means that imported quantities from countries other than Iran may increase.

US walnuts (in shell) are customarily imported at Christmas time. They do not exceed 100 MT/year. US filbert imports fluctuate between 30-40 MT per year, while US pecans are also imported in limited amounts (30-40 MT/year).

Because Greeks are the largest consumers of tree nuts and of all kinds of nuts, this part of the world is a potential market for further development for high quality US nuts, in particular.

PS&D Table, Almonds, Shelled Basis

PSD Table

Country	Greece						
	Commodity	Almonds, Shelled Basis					
Market Year Begin		2002 USDA Official [Estimate [Revised Estimate [2003 DA Official [Estimate Estimate [2004 DA Official [Forecast Estimate [New]
	09/2002		09/2003		09/2004	MM/YYYY	
Area Planted	40000	40000	39500	39500	0	40000 (HA)	
Area Harvested	39953	39953	39350	39350	0	39953 (HA)	
Bearing Trees	14105	14105	14000	14000	0	14000 (1000 TREES)	
Non-Bearing Trees	5	5	3	10	0	10 (1000 TREES)	
Total Trees	14110	14110	14003	14010	0	14010 (1000 TREES)	
Beginning Stocks	3423	3423	1323	4123	923	3523 (MT)	
Production	11500	17000	13000	12000	0	15000 (MT)	
Imports	3500	2500	3650	4000	0	2500 (MT)	
TOTAL SUPPLY	18423	22923	17973	20123	923	21023 (MT)	
Exports	700	800	800	600	0	850 (MT)	
Domestic Consumption	16400	18000	16250	16000	0	17000 (MT)	
Ending Stocks	1323	4123	923	3523	0	3173 (MT)	
TOTAL DISTRIBUTION	18423	22923	17973	20123	0	21023 (MT)	

Import Trade Matrix, Almonds, Shelled Basis

Import Trade Matrix

Country Greece

Commodity Almonds, Shelled Basis

Time Period Units:
 Imports for:
 U.S. U.S.

Others		Others	
Italy	19	Italy	46
Spain	603	Spain	1497
Germany	93	Germany	161
Sweden	46	Belgium	8
Netherlands	29	Netherlands	48
France	19	France	62
>EU Total	809	>EU Total	1822
		Chile	30

Total for Others 809 1852
 Others not Listed
 Grand Total 3305 5918

Export Trade Matrix, Almonds, Shelled Basis

Export Trade Matrix

Country Greece

Commodity Almonds, Shelled Basis

Time Period		Units:	MT
Exports for:	2001		2002
U.S.	1	U.S.	
Others		Others	
Italy	46	France	63
Sweden	72	Sweden	17
Germany	8	Netherlands	23
>EU Total	12	Spain	10
Cyprus	313	Other EU	11
Bulgaria	189	>EU Total	124
Yugoslavia	47	Yugoslavia	95
Czech Republic	51	Bulgaria	150
Poland	30	Cyprus	124
Total for Others	756		493
Others not Listed	93		106
Grand Total	850		599

PS&D Table, Pistachios, In Shell Basis

PSD Table

Country	Greece						
	Commodity	Pistachios, Inshell Basis					
Market Year Begin		2002 USDA Official [Estimate [Revised Estimate [2003 DA Official [Estimate [Estimate DA Official [Estimate [2004 DA Official [Estimate [Forecast Estimate [New]
		09/2002		09/2003		09/2004	MM/YYYY
Area Planted	5251	5034	5255	5020	0	5020	(HA)
Area Harvested	5110	4894	5130	5120	0	5120	(HA)
Bearing Trees	1485	1400	1486	1284	0	1284	(1000 TREES)
Non-Bearing Trees	15	15	16	16	0	16	(1000 TREES)
Total Trees	1500	1415	1502	1300	0	1300	(1000 TREES)
Beginning Stocks	3150	3150	3300	4440	3600	4980	(MT)
Production	8500	9870	9000	9000	0	9200	(MT)
Imports	1800	1870	1700	2000	0	1800	(MT)
TOTAL SUPPLY	13450	14890	14000	15440	3600	15980	(MT)
Exports	350	450	400	460	0	500	(MT)
Domestic Consumption	9800	10000	10000	10000	0	10000	(MT)
Ending Stocks	3300	4440	3600	4980	0	5480	(MT)
TOTAL DISTRIBUTION	13450	14890	14000	15440	0	15980	(MT)

Import Trade Matrix, Pistachios, In Shell Basis

Import Trade Matrix

Country Greece

Commodity Pistachios, Inshell Basis

Time Period Units:
 Imports for:
 U.S. U.S.

Others		Others	
Germany	22	Germany	63
U.K.	22	Spain	22
France	10	Italy	9
Other EU	14	Netherlands	3
>Sub Total EU	68	>EU Total	97
Iran	1072	Iran	2224
Turkey	46	Turkey	223
China	18		

Total for Others 1204 2544
 Others not Listed
 Grand Total 1204 2544

Export Trade Matrix, Pistachios, In Shell Basis

Export Trade Matrix

Country Greece

Commodity Pistachios, Inshell Basis

Time Period Units:

Exports for:

U.S. U.S.

Others Others

Italy	34	Italy	14
Germany	73	Sweden	19
U.K.	60	U.K.	92
France	6	France	14
>EU Total	173	Other EU	7
Cyprus	68	>EU Total	146
Israel	12	Cyprus	63
Bulgaria	59	Yugoslavia	59
FYROM	83	FYROM	112

Total for Others 395 380

Others not Listed

Grand Total 498 461